

EXHIBIT C

James Baxter, Esquire

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UNITED STATES DISTRICT COURT

DISTRICT OF NEW YORK

CASE NO. 14-CV-5474 (PGG)

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HANNA BOUVENG, :

Plaintiff, :

vs. :

NYG CAPITAL LLC d/b/a/ :

NEW YORK GLOBAL GROUP :

GROUP, FNL MEDIA LLC, :

and BENJAMIN WEY, :

Defendants. :

VIDEOTAPED DEPOSITION OF

JAMES BAXTER, ESQUIRE

March 11, 2015

New York, New York

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REPORTED BY: DANA N. SREBRENICK, CRR CLR

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| <p>1 A. Yes. I think that's their 2 company under whose umbrella these -- these 3 people are brokers. 4 Q. Are there any other brokers 5 employed at Cambridge Alliance Capital 6 besides Scholander and Harris? 7 A. Yes. 8 Q. How many? 9 A. I don't know. 10 Q. Are there any other broker -- 11 withdrawn. 12 Does New York Global Group have 13 any sort of business relationship with 14 Cambridge Alliance Capital? 15 A. There's no ongoing relationship 16 with them. 17 Q. Did New York Global Group ever 18 do business with Cambridge Alliance Capital? 19 A. I would say no. 20 Q. Did New York Global Group ever 21 do business with William Scholander? 22 A. No. 23 Q. Did New York Global Group ever 24 do business with Talman Harris? 25 A. No.</p> | <p>1 Q. Is that where the office still 2 is? 3 A. Yes. 4 Q. Before meeting Mr. Wey, did you 5 know you were going to meet Benjamin Wey? 6 A. Yes. 7 Q. Yeah? And did you know that he 8 had a company called New York Global Group? 9 A. Yes. 10 Q. Did you do any research before 11 meeting Mr. Wey into the business of New York 12 Global Group? 13 A. Yes. 14 Q. What did that research consist 15 of? 16 A. I looked on the internet at 17 various online blogs and newspaper reports 18 relating to him. 19 Q. What did -- what did -- and so 20 you'd not only researched New York Global 21 Group, but you also researched Benjamin 22 Wey -- 23 A. Right. 24 Q. -- is that fair? 25 A. Right.</p> |
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| <p>1 Q. Did William Scholander ever go 2 on a business trip with Benjamin Wey? 3 A. He may have. 4 Q. Well, did William Scholander 5 ever go on a business trip with you and 6 Benjamin Wey? 7 A. Yes. I -- I know Talman Harris 8 did, and Scholander may have also done. 9 Q. Did Talman Harris ever go on a 10 business trip with you and Benjamin Wey? 11 A. Yes. 12 Q. When was that? 13 A. I don't remember. 14 Q. Is -- are either Scholander or 15 Harris Mr. Wey's stockbrokers? 16 A. I don't know. 17 Q. Does New York Global Group have 18 any money invested with Cambridge Alliance 19 Capital? 20 A. Not to my knowledge. 21 Q. Where did you meet Mr. Wey for 22 the first time? 23 A. In his office. 24 Q. Where was the office? 25 A. 40 Wall Street.</p> | <p>1 Q. What did you learn about New 2 York Global Group and Benjamin Wey during 3 that on -- as a result of that online 4 research? 5 A. That he had been attacked 6 frequently by market manipulating short 7 sellers. 8 Q. Did you learn anything about 9 the business of New York Global Group when 10 you did your research? 11 A. Some, but not much. 12 Q. Did you learn that they were 13 involved in something called reverse mergers? 14 A. I was aware of that. 15 Q. Yeah. What's a reverse merger? 16 A. Reverse merger is a financial 17 technique in which a -- a viable private 18 company merges with a registered shell 19 corporation, which is registered with the SEC 20 and has public shareholders. 21 Q. And the private companies that 22 Mr. Wey was doing reverse mergers for, were 23 those Chinese companies? 24 A. Yes, I think, generally. 25 Q. And did the SEC look kindly on</p> |

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| <p>1 this reverse merger business?</p> <p>2 MR. SHER: Objection to form.</p> <p>3 BY MR. RATNER:</p> <p>4 Q. You can answer.</p> <p>5 A. There was a -- a negative</p> <p>6 attitude toward reverse mergers by the SEC.</p> <p>7 Q. The SEC didn't like that at</p> <p>8 all, right?</p> <p>9 MR. SHER: Objection to form.</p> <p>10 BY MR. RATNER:</p> <p>11 Q. You can answer.</p> <p>12 A. The SEC was -- was -- did not</p> <p>13 understand reverse mergers and were</p> <p>14 influenced by people who came to tell them</p> <p>15 they were bad and put a political and</p> <p>16 propaganda campaign against them.</p> <p>17 Q. Right. The SEC shut down the</p> <p>18 reverse merger business; is that true?</p> <p>19 A. Substantially.</p> <p>20 Q. Right. And -- and the SEC is</p> <p>21 the United States Securities and Exchange</p> <p>22 Commission?</p> <p>23 A. Yes.</p> <p>24 Q. They're the entity that</p> <p>25 regulates the securities business in the</p> | <p>1 point that Mr. Wey had been disciplined by a</p> <p>2 federal or state regulator?</p> <p>3 A. Yes.</p> <p>4 Q. When did you first come to</p> <p>5 learn that?</p> <p>6 A. I don't remember.</p> <p>7 Q. Was it before or after you went</p> <p>8 to work for him?</p> <p>9 A. I don't remember.</p> <p>10 Q. Had you known that he had been</p> <p>11 disciplined by a federal or state regulator</p> <p>12 before you went to work for him, would that</p> <p>13 have influenced you taking the job with him?</p> <p>14 A. Not based on what I know about</p> <p>15 the very minor skirmish that he had 15 years</p> <p>16 ago.</p> <p>17 Q. Okay. What was that skirmish?</p> <p>18 A. Mr. Wey came here on a</p> <p>19 scholarship from China to go to college in</p> <p>20 Oklahoma. He then got an MBA, master of</p> <p>21 business administration, in Oklahoma and got</p> <p>22 a job at a small brokerage firm, member of</p> <p>23 the then called NASD, now FINRA, and asked</p> <p>24 them to let him be a registered</p> <p>25 representative and study to pass the Series 7</p> |
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| <p>1 United States?</p> <p>2 A. One of them, yes.</p> <p>3 Q. What's another one that</p> <p>4 regulates the securities business?</p> <p>5 A. Well, FINRA regulates, and the</p> <p>6 stock exchanges regulate as well.</p> <p>7 Q. And there are also state</p> <p>8 regulators in --</p> <p>9 A. There are state regulators.</p> <p>10 Q. You got to let me finish my</p> <p>11 question.</p> <p>12 A. I -- I beg your pardon.</p> <p>13 Q. Okay. I'm going to try to let</p> <p>14 you finish your answer, and you got to let me</p> <p>15 try to finish --</p> <p>16 A. Sounds fair.</p> <p>17 Q. -- my question.</p> <p>18 A. Sounds fair.</p> <p>19 Q. The -- the -- did you do any</p> <p>20 research into whether Mr. Wey had ever been</p> <p>21 disciplined or sanctioned or criticized by</p> <p>22 any federal or state securities regulator</p> <p>23 before meeting with him?</p> <p>24 A. I don't remember.</p> <p>25 Q. Did you come to learn at some</p> | <p>1 exam as a broker.</p> <p>2 He -- he told them that he in</p> <p>3 business school had set up a registered</p> <p>4 investment advisory company, which cleared</p> <p>5 through Bear Stearns in New York, and he</p> <p>6 wanted to make clear that when he went to</p> <p>7 work for these two cousins in their little</p> <p>8 brokerage firm that his registered investment</p> <p>9 advisory firm was not part of the deal and</p> <p>10 was completely separate.</p> <p>11 They said fine and when they</p> <p>12 hired him, they put in his paperwork for NASD</p> <p>13 that he had -- that he owned a -- a</p> <p>14 registered investment advisory firm away from</p> <p>15 their brokerage firm.</p> <p>16 He was hired. He went to work</p> <p>17 studying. And after a while, these two</p> <p>18 cousins realized that his clients in his --</p> <p>19 his registered investment advisory business</p> <p>20 were much more substantial than any of the</p> <p>21 customers of the brokerage firm. They had a</p> <p>22 lot of money.</p> <p>23 And they said, Why don't you</p> <p>24 bring your -- your -- your customers in from</p> <p>25 the registered advisory firm into our firm,</p> |

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| <p>1 and we'll sell them penny stocks? And he 2 said, No. That was not part of the deal. 3 I'm not bringing them in. 4 And they then fired him and 5 reported to NASD that he was fired for 6 violating an NASD rule which requires a 7 broker to give written notice of any outside 8 business interest. The NASD took a look at 9 it and did nothing. 10 Years later, when Mr. Wey had 11 an opportunity to sell his business, when he 12 had already moved to New York, he had an 13 offer of millions of dollars from England. 14 They said, We have a problem with this open 15 item with the NASD, so he hired a lawyer. 16 THE WITNESS: Am I talking too 17 much? Okay. I was just trying to give the 18 full story of what it was. 19 BY MR. RATNER: 20 Q. Well, how did you learn this 21 story? 22 A. I did research on it, and I 23 also talked to Mr. Wey and looked at 24 documents. 25 Q. Okay. And Mr. Wey, was he not,</p> | <p>1 A. Yes. 2 Q. And he agreed to be censured by 3 the State of Oklahoma in 19 -- in 2005, true? 4 A. It went on much earlier than 5 that, but by the time the documentation was 6 complete, it was later, some many years 7 later. 8 Q. Okay. And one of the things 9 that he was accused of by the State of 10 Oklahoma was recommending -- well, one of the 11 things he was accused of by the State of 12 Oklahoma was failing to disclose certain 13 risks associated with the purchase of 14 securities to his customers, true? 15 A. I don't know what allegations 16 they made. He didn't admit to any of them. 17 Q. And -- and he was also accused 18 of failing to disclose to his customers 19 certain consulting arrangements he had with 20 the companies in which he was recommending 21 stock, true? 22 A. I don't remember. 23 Q. Well, let me show you what 24 yesterday was marked as Plaintiff's Exhibit 25 10. Have you ever seen that before?</p> |
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| <p>1 prohibited as a result of his agreement from 2 operating as a broker in the State of 3 Oklahoma, true? 4 MR. SHER: Objection to form. 5 Do you want to show him the document? 6 A. Well, I -- I know what you're 7 asking about, but it's not what I was talking 8 about. Okay. That's another situation 9 altogether. 10 BY MR. RATNER: 11 Q. Well -- 12 A. I never quite finished on the 13 other one. 14 Q. Okay. Isn't it -- isn't it 15 true that Mr. Wey was -- is prohibited from 16 acting as a broker in the State of Oklahoma? 17 A. He signed a consent that he 18 would never apply to be a broker in Oklahoma. 19 He signed that after he had gone out of the 20 brokerage business and moved to New York. He 21 did not admit any violations when he signed 22 that. 23 Q. And Mr. Wey agreed to be 24 censured by the State of Oklahoma; is that 25 true?</p> | <p>1 A. I don't know. I'm just looking 2 at it now. 3 Q. Okay. The question was, have 4 you ever seen this before? It's sort of a 5 yes or no question, which doesn't require 6 reading the entire document. 7 A. I'm -- I'm -- I'm still 8 puzzling over whether I've ever seen this. 9 MR. RATNER: Okay. Let's go 10 off -- 11 A. Maybe, if I read more pages, it 12 will -- 13 MR. RATNER: That's fine. 14 A. -- jog my memory. 15 MR. RATNER: Let's go off the 16 record while he reads it, please. 17 THE VIDEOGRAPHER: The time is 18 now 10:57. We're going off the record. 19 (Whereupon, a brief recess is 20 taken.) 21 THE VIDEOGRAPHER: The time is 22 now 10:57, and we're back on the record. 23 BY MR. RATNER: 24 Q. Had you seen this before going 25 to work for Mr. Wey or with Mr. Wey, would</p> |

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| <p>1 that have influenced your decision to work 2 with him? 3 A. No. 4 Q. Why not? 5 A. Because brokerage firms like 6 Morgan Stanley and J.P. Morgan have 80 to 100 7 situations like this every year. This is 8 part of the brokerage business, to have some 9 regulator make some allegations, and you 10 agree to settle it without going to the 11 trouble of the distraction of long hearings 12 and bringing in witnesses and being taken 13 away from your business. So you get rid of 14 it by settling it without admitting any of 15 the allegations. 16 This is a very normal part of 17 the business, and so, no, it wouldn't. 18 Q. So it's a normal part of the 19 business for a broker to be censured; is 20 that -- that your testimony? 21 A. There are many cases of 22 censure. I'd say there are enough that it is 23 somewhat normal. 24 Q. And it's a normal part of the 25 business for a broker to be barred and agree</p> | <p>1 Mr. Faught, he said he should think more 2 internationally and not just focus on 3 Oklahoma. 4 When the paper came to 5 Mr. Faught, they said, What do you say? 6 Mr. Ben Wey says you should be more 7 international. He said, I say he's under 8 investigation today. And he sent a messenger 9 over to Benjamin Wey's office and began this 10 investigation. 11 Q. How do you know that? 12 A. I know because I've talked to 13 Ben Wey, and I've talked to a very fine 14 lawyer in Oklahoma who is aware of it and is 15 a next door neighbor of Mr. Faught who said 16 over the -- over the fence, I'm getting rid 17 of these Chinese in Oklahoma. 18 Q. So -- so your testimony is that 19 this was a hatchet job, basically? 20 A. I believe it was. 21 Q. And it was discriminating 22 against a Chinese individual; is that -- 23 A. In part. 24 Q. When the SEC objected to and 25 shut down the reverse merger business, was</p> |
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| <p>1 to be barred from selling securities in a 2 particular state, true? 3 That's what your testimony is? 4 A. I don't know if it's normal or 5 not. 6 Q. And Mr. Wey's censure and 7 agreement to be barred from selling 8 securities in Oklahoma, that's just normal, 9 everyday business in the brokerage industry, 10 true? 11 A. I don't know that that's so. 12 Q. Yeah. And as a matter of fact, 13 it isn't. You know that. 14 MR. SHER: Can you let him 15 finish his answer? 16 BY MR. RATNER: 17 Q. I thought -- did you finish 18 your answer? 19 A. No. This guy, Faught, the head 20 of securities in Oklahoma, was a very strong 21 democrat who resented the fact that Ben Wey 22 was a republican advising Governor Keating 23 and getting a lot of publicity for it. 24 When -- when the newspapers 25 asked Ben whether he had any advice for</p> | <p>1 that also a hatchet job? 2 A. It was a successful propaganda 3 campaign by a -- certain groups. 4 Q. And when we're talking about 5 reverse mergers, that's -- what we're talking 6 about is getting money from Chinese companies 7 and secretly investing them in American 8 companies, so -- withdrawn. 9 When we're talking about 10 Mr. Wey's reverse -- reverse merger business, 11 that involves helping Chinese companies 12 secretly invest in American companies, true? 13 MR. SHER: Objection to form. 14 A. False. Totally wrong. 15 BY MR. RATNER: 16 Q. What's the -- what's -- so if 17 New York Global Group doesn't do reverse 18 mergers now or doesn't advise on reverse 19 mergers now, what does New York Global Group 20 do? What's the business? 21 A. We have diversified into a 22 number of businesses. One of our businesses 23 is to help the investor clients of -- in 24 China to invest their money throughout the 25 world.</p> |

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